



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

NW SURGERY CENTER RED OAK

Respondent Name

LM INSURANCE CORP

MFDR Tracking Number

M4-17-3647-01

Carrier's Austin Representative

Box Number 01

MFDR Date Received

AUGUST 14, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Liberty Mutual has paid for 49650RT & 49650LT before. This time they are asking for 1 code with a modifier-50. Not ASC standard."

Amount in Dispute: \$2,359.54

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "CPT 49650-SG-LT was denied because the provider billed Modifier LT incorrectly. The provider submitted this bill for bilateral inguinal hernia repairs using CPT codes 49650-SG_RT and 49650-SL-LT. The payer allowed 49650-SG-RT and denied the 49650-SG-LT as too many units because bilateral procedures performed in an ASC or in Outpatient Setting, according to Medicare OPPS rules, require Modifier 50 to be used on one line on the claim form."

Response Submitted By: Liberty Mutual Insurance

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 17, 2017	Ambulatory Surgical Care for CPT Code 49650-SG-LT	\$2,359.54	\$2,356.06

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.402, effective August 31, 2008, sets out the reimbursement guidelines for ambulatory surgical care services.

3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - P12-Workers' compensation jurisdictional fee schedule adjustment.
 - U899-Procedure has exceeded the maximum allowed units of service.

Issues

1. What is the applicable fee guideline?
2. Is the requestor entitled to reimbursement for the disputed services?

Findings

1. The fee guideline for Ambulatory Surgical Care services is found in 28 Texas Administrative Code §134.402.
2. The requestor is seeking reimbursement of \$2,359.54 for CPT code 49650-SG-LT.

28 Texas Administrative Code §134.402(d) states,

For coding, billing, and reporting, of facility services covered in this rule, Texas workers' compensation system participants shall apply the Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section.

On the disputed date of service, the requestor billed CPT codes 49650-SG-RT, 49650-SG-LT and 49585-SG. Only 49650-SG-LT is in dispute.

CPT code 49650 is defined as "Laparoscopy, surgical; repair initial inguinal hernia". The requestor appended modifier "LT-Left Side" to code 49650.

The respondent contends that reimbursement is not due because "Modifier 50 was not used according to Medicare guidelines." The respondent relies on Medicare Claims Processing Manual, Chapter 4-Part B Hospital (Including Inpatient Hospital Part B and OPPI) for their position regarding modifiers.

The requestor argues that they billed correctly and should be paid.

Per Medicare Claims Processing Manual, Chapter 14-Ambulatory Surgical Centers, "A procedure performed bilaterally in one operative session is reported as two procedures, either as a single unit on two separate lines or with "2" in the units field on one line. The multiple procedure reduction of 50 percent applies to all bilateral procedures subject to multiple procedure discounting. For example, if lavage by cannulation; maxillary sinus (antrum puncture by natural ostium) (CPT code 31020) is performed bilaterally in one operative session, report 31020 on two separate lines or with "2" in the units field. Depending on whether the claim includes other services to which the multiple procedure discount applies, the contractor applies the multiple procedure reduction of 50 percent to the payment for at least one of the CPT code 31020 payment rates."

The division finds the requestor billed the services on two lines with modifiers "RT" and "LT". Medicare Claims Processing Manual, Chapter 14-Ambulatory Surgical Centers did not prohibit the anatomic modifiers; therefore, the respondent's denial is not supported and reimbursement is due.

28 Texas Administrative Code §134.402(f)(1)(B) states,

The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the *Federal Register*. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (1) Reimbursement for non-device intensive procedures shall be: A) The Medicare ASC facility reimbursement amount multiplied by 235 percent.

According to Addendum AA, CPT code 49650 is a non-device intensive procedure.

The Medicare fully implemented ASC reimbursement for code 49650 CY 2017 is \$2,037.05.

To determine the geographically adjusted Medicare ASC reimbursement for code 49650:

The Medicare fully implemented ASC reimbursement rate of \$2,037.05 is divided by 2 = \$1,018.52.

This number multiplied by the City Wage Index for Houston, Texas is \$1,018.52 X 0.9687 = \$986.64.

Add these two together \$2,005.16.

To determine the MAR multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235%

\$2,005.16 X 235% = \$4,712.12. This code is subject to multiple procedure discounting of 50% = \$2,356.06.

The respondent paid \$0.00. As a result, reimbursement is recommended of \$2,356.06.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$2,356.06.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby **ORDERS** the respondent to remit to the requestor the amount of \$2,356.06 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

_____	_____	09/14/2017
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.